

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>			1. CONTRACT ID CODE		PAGE OF PAGES 1   3		
2. AMENDMENT/MODIFICATION NO. 0003		3. EFFECTIVE DATE 6 December 2002		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY Contracting Officer, Dahlgren Division Naval Surface Warfare Center 17320 Dahlgren Road Dahlgren, VA 22448-5100		CODE N00178		7. ADMINISTERED BY (If other than Item 6)		CODE	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)				(✓)		9A. AMENDMENT OF SOLICITATION NO.  N00178-03-R-3002	
				X		9B. DATED (SEE ITEM 11) 1 November 2002	
						10A. MODIFICATION OF CONTRACT/ORDER NO.	
						10B. DATED (SEE ITEM 13)	
CODE				FACILITY CODE			

### 11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☒ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☒ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning 1 copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

### 13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

- ☒ A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
- B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103 (b).
- C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
- D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☐ is required to sign this document and return \_\_\_\_\_ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

SEE PAGE 2 HEREOF

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY (Signature of Contracting Officer)	16C. DATE SIGNED

**BLOCK 14: DESCRIPTION OF MODIFICATION**

- a. The purpose of this amendment is to provide answers to questions submitted in response to RFP N00178-03-R-3002 issued on 1 November 2002.
- b. The solicitation closing date of 10 January 2003 remains unchanged.
- c. The questions and answers are identified as follows:

**(1) QUESTION**

The "Guaranteed Savings Clause" on page 56 of Solicitation N00178-03-R-3002 appears to be requesting that the Contractor discount and identify its Indirect Subcontractor Handling Charges to the Government. How does the Government plan to identify the Contractor's Direct Management Support Hours charged for handling Subcontracts?

**(1) ANSWER**

The second paragraph of this clause requires the contractor to discount the pass through rate for all work to be performed by subcontractors. This discount is to be identified by a not to exceed percentage rate that will include fee and any applied indirect rates. This paragraph does not address direct management support hours. However, the first paragraph of the clause requests contractors to identify business improvement processes, innovations, and cost saving initiatives that will result in a savings to the Government. Contractors may elect to identify a savings for management/support hours in response to this paragraph. The identification of the savings to the government will be a decision made by the contractor and must clearly be identified to the Government.

**(2) QUESTION**

May Standard & Poor's DRI Average Hourly Earnings & Employment Cost Indexes be used as the basis for labor escalation rather than the computation of an average annual escalation rate as contained on Page 107 of 118 (K)(xv) of the above mentioned solicitation?

**(2) ANSWER**

The above Index may not be used as the basis for labor escalation. The information requested on page 107 (K)(xv) is to assist the Government in performing a cost realism of an offeror's proposed costs based on actual historical escalation. The offeror may state the basis for the proposed escalation is in accordance with the Index but must still provide the requested information.

(3) QUESTION

Clarification is requested regarding the disparate language contained on page 106 of 118 in the subject solicitation. Specifically, (I) "...The cost proposal shall reflect actual labor rates expected to be expended in performing the proposed contract; e.g., actual hourly rates for named Key and Non-Key Personnel ..." and (J)(i) "Key Personnel whose resume was not submitted with the offer and is not identified by name may be priced on contract category average rates. If any other basis is used, it must be fully explained along with the rationale justifying its applicability."

Should cost proposals reflect actual labor rates or contract category average rates?

(3) ANSWER

The language in the solicitation is correct as stated.